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Report of the United Nations Commission on International Trade Law on the work of its forty-ninth session

Draft resolution

Model Law on Secured Transactions of the United Nations Commission on International Trade Law

The General Assembly,

Recalling its resolution 2205 (XXI) of 17 December 1966, by which it established the United Nations Commission on International Trade Law with a mandate to further the progressive harmonization and unification of the law of international trade and in that respect to bear in mind the interests of all peoples, in particular those of developing countries, in the extensive development of international trade,

Recalling also its resolutions 56/81 of 12 December 2001, 63/121 of 11 December 2008, 65/23 of 6 December 2010 and 68/108 of 16 December 2013, in which it recommended that States consider or continue to consider becoming parties to the United Nations Convention on the Assignment of Receivables in International Trade[1] and giving favourable consideration to the *UNCITRAL Legislative Guide on Secured Transactions* (2007),[2] the *Supplement on Security Rights in Intellectual Property*[3] and the *UNCITRAL Guide on the Implementation of a Security Rights Registry*,[4] respectively,

Recalling further that, at its forty-sixth session, in 2013, the Commission entrusted Working Group VI (Security Interests) with the preparation of a model law on secured transactions based on the recommendations of the *UNCITRAL*

[1] General Assembly resolution 56/81, annex.
[2] United Nations publication, Sales No. E.09.V.12.
[3] United Nations publication, Sales No. E.11.V.6.
[4] United Nations publication, Sales No. E.14.V.6.

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Legislative Guide on Secured Transactions (2007) and consistent with all texts prepared by the Commission on secured transactions,[5]

Noting that Working Group VI devoted six sessions,[6] from 2013 to 2016, to the preparation of the Model Law on Secured Transactions,

Noting also that, at its forty-eighth session, in 2015, the Commission approved the substance of the registry-related provisions of the Model Law,[7]

Noting with satisfaction that the Model Law is based on the recommendations of the *UNCITRAL Legislative Guide on Secured Transactions* and consistent with all texts prepared by the Commission on secured transactions, and with those texts thus provides comprehensive guidance to States with respect to legal and practical issues that need to be addressed when implementing a modern secured transactions regime,

Recognizing that an efficient secured transactions regime with a publicly accessible security rights registry of the kind provided for in the Model Law is likely to increase access to affordable secured credit and thus promote economic growth, sustainable development, the rule of law and financial inclusion, as well as assist in combating poverty,

Recognizing also that the harmonization of national secured transactions regimes and registries on the basis of the Model Law is likely to increase the availability of secured credit across national borders and thus facilitate the development of international trade, which, if achieved on the basis of equality and mutual benefit to all States, is an important element in promoting friendly relations among States,

Recognizing further that secured transactions law reform could not be effectively implemented without the establishment of an efficient, publicly accessible security rights registry where information about the potential existence of a security right in movable assets may be registered, and that States urgently need guidance with respect to the establishment and operation of such registries,

Convinced that the Model Law will contribute to greater legal certainty in the exercise of international commercial activities for the benefit of all States, particularly developing countries and States with economies in transition,

Noting with appreciation that all States and interested international organizations were invited to participate in the preparation of the draft Model Law at all the sessions of the Working Group and at the forty-eighth and forty-ninth sessions of the Commission, either as members or as observers, and that comments received after circulation of the text of the Model Law to all Governments were before the Commission at its forty-ninth session,[8]

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[5] *Official Records of the General Assembly, Sixty-eighth Session, Supplement No. 17* (A/68/17), paras. 194 and 332.

[6] For the reports of those sessions of the Working Group, see A/CN.9/796, A/CN.9/802, A/CN.9/830, A/CN.9/836, A/CN.9/865 and A/CN.9/871.

[7] *Official Records of the General Assembly, Seventieth Session, Supplement No. 17* (A/70/17), para. 214.

[8] See A/CN.9/886 and A/CN.9/887 and Add.1.

Expressing its appreciation to international intergovernmental and non-governmental organizations active in the field of secured transactions law reform for their participation in and support for the development of the Model Law,

1. *Expresses its appreciation* to the United Nations Commission on International Trade Law for completing and adopting the Model Law on Secured Transactions;[9]

2. *Requests* the Secretary-General to publish the Model Law, including electronically, in the six official languages of the United Nations, and to disseminate it broadly to Governments and other interested bodies;

3. *Recommends* that all States give favourable consideration to the Model Law when revising or adopting legislation relevant to secured transactions, and invites States that have used the Model Law to advise the Commission accordingly;

4. *Also recommends* that, where necessary, States continue giving favourable consideration to the *UNCITRAL Guide on the Implementation of a Security Rights Registry*[4] when revising relevant legislation, administrative regulations or guidelines, and to the *UNCITRAL Legislative Guide on Secured Transactions*[2] and the *Supplement on Security Rights in Intellectual Property*[3] when revising or adopting legislation relevant to secured transactions, and invites States that have used the guides to advise the Commission accordingly;

5. *Further recommends* that all States continue to consider becoming parties to the United Nations Convention on the Assignment of Receivables in International Trade,[1] the principles of which are also reflected in the Model Law, and the optional annex to which refers to the registration of notices with regard to assignments.

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[9] *Official Records of the General Assembly, Seventy-first Session, Supplement No. 17* (A/71/17), chap. III, sect. A.